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COMPTROLLER
STATE OF ILLINOIS

July 29, 1977

PAYROLL BULLETIN (5-77)

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SPRINGFIELD, ILLINOIS 62706
217/782-6000

TO: All State Agencies, Departments, Boards,
Commissions and Universities

SUBJECT: Payment of Salary Provision Changes

Recent changes in the pay plan of the Department of Personnel will require that agencies, who have employees subject to the personnel code, voucher "Bonus" payments to these employees. The Comptroller's Office will process bonus vouchers only for those code employees who are covered by collective bargaining agreements. There are three types of "Bonus" payments:

1. The first type of bonus payment is for certain code employees on step five or six with 12 months creditable service on December 1, 1976.
2. The second type of bonus payment is for certain code employees on step seven for more than three years.
3. The third type of bonus payments is a flat \$100.00 to certain code employees except emergency and temporary employees subject to the Schedule of Salary Grades as of July 1, 1977.

For the exact details of these bonus payments, please refer to the memorandums from the Department of Personnel of June 27, 1977 and July 7, 1977. The Department of Personnel has now prepared instructions for processing these payments.

These bonus payments must be submitted on supplemental payroll vouchers. Bonus one and two described above should be submitted on one voucher and can be paid from either FY77 or FY78 monies. All bonus payments from FY77 monies must reach our office no later than September 16, 1977. Bonus three described above must be paid from FY78 monies.

All of these bonus payments will be subject to the normal involuntary deductions except that bonus two and bonus three described above will

not be subject to State Employees' Retirement System withholding. Bonus one is subject to that Retirement System's withholding. All three bonus payments are subject to Teachers' Retirement withholding for those employees who are members of that System. The State's contribution to the State Employees' Retirement System should be calculated at 6.7%.

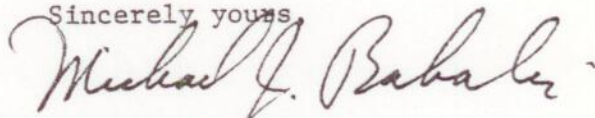
Since these are bonus payments, federal income tax may be withheld at a flat rate of 20% or you may use the tax tables. All other involuntary deductions should be calculated in the usual manner. It is suggested, however, for ease of operation, that Illinois state income tax be withheld at a flat rate of 2½%. For those employees who are residents of states with whom we have a reciprocal tax agreement, you should use that state's tax table. These payments are also subject to Internal Revenue Service levies and garnishments.

All agencies, tape and non-tape, will have to prepare the payrolls for bonus one and bonus two within their own agency. Tape submitting agencies will also have to prepare bonus three payrolls internally. For non-tape agencies, the Comptroller's Office will pre-list the \$100.00 bonus to the agency only upon request. This pre-list will indicate the employees who were on the July 1 through 15, 1977 payroll and we will calculate the withholding as follows:

- A. Federal Withholding - 20%
- B. State Withholding - 2½%
- C. Social Security - 5.85% (If applicable)

When requesting these pre-lists, it is important to request them by paycode. If you have any questions, please contact Dan Steven or Cheryl Shride at (217) 782-4758.

Sincerely yours



Michael J. Bakalis
Comptroller